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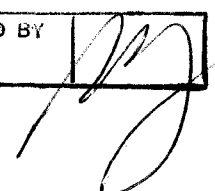
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September 18, 1998

Arizona Corporation Commission
DOCKETED

SEP 18 1998

Chairman-Commissioner Jim Irvin
Commissioner Renz D. Jennings
Commissioner Carl K. Kunasek
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

DOCKETED BY 

Re: Arizona Electric Power Cooperative,
Inc., Duncan Valley Electric
Cooperative, Inc. and Graham County
Electric Cooperative, Inc. Comments
on Amended Electric Competition
Rules; Docket No. RE-00000C-94-0165

Dear Commissioners:

Pursuant to the Procedural Order dated August 11, 1998, Arizona Electric Power Cooperative, Inc., Duncan Valley Electric Cooperative, Inc. and Graham County Electric Cooperative, Inc. (the "Cooperatives") submit these comments on the Proposed Rules. Because the Proposed Rules are the same as the Amended Rules which were adopted on an emergency basis by Decision No. 61071, the Cooperatives incorporate by reference (i) the written comments of Arizona Electric Power Cooperative, Inc. dated July 6, 1998 and (ii) the Cooperatives' Applications for Rehearing of Decision No. 61071 dated August 27, 1998.

Without waiver, but in addition to the issues raised in those materials, the Cooperatives note the following:

- R14-2-1601. The Reliability Work Group has continued to work on must-run generating and scheduling coordinator issues. We believe the following definitional changes at R14-2-1601.27 and .35 reflect current consensus thinking:

27. "Must-Run Generating Units" are those units that are required to run to maintain system reliability and meet load requirements, voltage requirements, system stability and contingencies to meet load on certain portions of the interconnected transmission grid.

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35. "Scheduling Coordinator" means an entity that provides schedules for power transactions over transmission or distribution systems to the party responsible for the operation and control of the transmission grid, such as a Control Area Operator/Transmission Owner, Independent Scheduling Administrator or Independent System Operator.

- R14-2-1613.H. This subsection requires ESPs to give at least five days notice to their customers of scheduled return to the Standard Offer. Notice should also be given to the affected UDC so it is aware the load is returning and can begin to make necessary arrangements. After the words "to their customer" add "and to the appropriate Utility Distribution Company."
- R14-2-1616. The Cooperatives suggest that the January 1, 1999 date in subsection B be changed to "January 1, 2001" to conform this subsection with the date in subsection A.
- R14-2-1618. The Cooperatives appreciate the Commission's addition of subsection A to R14-2-1618 on disclosure of information. However, the phrase "R14-2-1618 is a placeholder" may be confusing. To clarify, the Cooperatives suggest deletion of R14-2-1618 until the tracking mechanism referred to is developed by the Western Conference of Public Service Commissioners.

Thank you for your consideration of these comments.

Very truly yours,



By

Michael M. Grant

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